



**Montana Department of Transportation**  
**PO Box 201001**  
**Helena, MT 59620-1001**

**MEMORANDUM**

**To:** See Distribution  
**From:** Kevin Christensen, P.E.  
Construction Engineer  
**Date:** November 30, 2006  
**Subject:** Supplemental Specification Revision: 109.09.1 General, 109.09.2 Payment

The Construction Administration Services Bureau is proposing revisions to Standard Specifications, 109.09.1 and 109.09.2. Following the Standard Specification Revision Process outlined in the Construction Engineer's Memorandum dated January 9, 2002 the following information is provided.

1. Standard Specifications, 109.09.1 and 109.09.2 will be modified.
2. The Proposed Draft of the change is attached along with this memorandum.
3. Revision to the Standard Specifications is needed to ensure that Contractors only include actual mobilization costs in the mobilization bid item, and to ensure required documentation and certifications are received to allow proper close-out of the project.
4. Those impacted by the change include:  
  
Contractors, Contract Plans Bureau, CAS Bureau.
5. The following individuals were consulted and/or involved in developing the proposed revisions:  
  
Chief Engineer, Legal, CAS Bureau.

*It is requested that written comments on **the proposed revisions only**, be returned to [mdtspecifications@mt.gov](mailto:mdtspecifications@mt.gov) no later than December 29 , 2006.*

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**109.09.1 General**

Mobilization is the preparatory work and operations performed including, but not limited to, those necessary for:

1. The movement of personnel, equipment, supplies, and incidentals to the project site;
2. The establishment of all offices, buildings, and other facilities necessary for work on the project;
3. Premium on contract bonds;
4. Insurance for the contract;
5. Other work and operations that must be performed or costs incurred before beginning contract work;
6. Mobilization costs for subcontracted work; and

7. Submission of all forms, certifications, and documentation required for the Department to prepare the final estimate and issue a certificate of completion.

Mobilization is only to be used for these reasonably-anticipated expenses, and is not to be used either to front-load a bid in order to receive payment earlier, or to unbalance a bid.

**109.09.2 Payment**

The original contract amount is the total price of the contract as bid and includes mobilization. Partial payments for mobilization will be made based on the lump sum contract unit price as follows:

1. One percent of the original contract amount, but not more than 99 percent of the amount bid for mobilization, will be paid on the first regular estimate period following the notice to proceed.
2. When 5 percent of the original contract amount is paid under the contract, 25 percent of the amount bid for mobilization or 3 percent of the original contract amount, whichever is less, will be paid.
3. When 10 percent of the original contract amount is paid under the contract, 50 percent of the amount bid for mobilization or 6 percent of the original contract amount, whichever is less, will be paid.
4. When 25 percent of the original contract amount is paid under the contract, 60 percent of the amount bid for mobilization or 8 percent of the original contract amount, whichever is less, will be paid.
5. When 50 percent of the original contract amount is paid under the contract, 90 percent of the amount bid for mobilization or 10 percent of the original contract amount, whichever is less, will be paid.
6. When 70 percent of the original contract amount is paid under the contract, 99 percent of the amount bid for mobilization will be paid.

7. When all forms, certifications, and documentation has been received and accepted, 100 percent of the amount bid for mobilization will be paid.

The percent that is paid in parts 1 through 7 above is the cumulative amount paid to that point, not the amount that will be paid on that progress payment.

Payment at the contract unit price is full compensation for all necessary resources to complete the item of work under the contract.

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